

Voluntary Report - public distribution

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Morocco

Grain and Feed

Wheat Duty Revised Down 2003

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Report Highlights:

Effective October 16, 2003, the government of Morocco lowered the import duties on bread wheat, effectively allowing imports again. Tariffs for other grains remain unchanged.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Rabat [MO1]
[MO]

Effective October 16, 2003, the government of Morocco lowered the import duties on bread wheat, effectively allowing imports again. The high duties applied by the government for bread wheat since June 1, 2003 (see MO3010) were prohibitive and have not allowed significant imports of wheat since then. As a consequence, farmers' prices have remained relatively high despite the bumper crop, as intended by the government. However, since Morocco has to import bread wheat even when harvests are good, the GOM was forced to reduce the duties on bread wheat to avoid shortages in the local market. Reportedly, the high duties during June 1 - October 16, 2003 encouraged local grain traders to hold wheat hoping for a higher price, which made it difficult for many flour millers to procure wheat at a reasonable price. Morocco should remain in the import market through May-June 2004, when the next crop comes in.

The system to compute the duties is still the same as reported in MO3010: the government sets a threshold price for wheat, which is generally lower than the world price. The tariff is split in two parts. The portion of the CIF (plus port charges) price above the threshold price is subject to a high duty, while the portion above the threshold price is assessed a flat 2.5 percent. Duties on other grains, including durum wheat, are unchanged.

Duty on imported bread wheat, Morocco

	Old	New
Implemented since:	June 1, 2003	October 16, 2003
Duty, ad valorem, on part less than/equal to threshold price	135 %	90 %
Duty, ad valorem, on part above threshold price	2.5 %	2.5 %
Threshold Price (dirhams per Metric Tons)*	1,000	1,000

- \$1 = 9.35 dirhams